

War, social inequality and the crisis of American democracy

Part Two

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Part one | Part two

This report was given by David North, chairman of the international editorial board of the World Socialist Web Site and national secretary of the Socialist Equality Party (US), to a meeting held November 5 in Pasadena, California.

Social inequality in the United States

How did a situation arise where such massive and undemocratic violations of rights take place, and they go unchallenged and even un-discussed in any serious way? Life-and-death questions of democratic rights that resound through our history have emerged, yet an election campaign is conducted where they are not discussed and *cannot* be examined.

In order to understand this, one has to look at the nature of the society in which we live. What is the real source of these diseases—of war, of dictatorship? They must be symptoms of a deep social ill that exists within the United States.

The framers of the Constitution insisted that the United States was a nation of laws, not men. They recognized that there was a danger, a profound danger, that government could overstep its delegated powers and become a tyranny—a danger that could arise not just from the president, but even from the legislature. That was a potential within any system of government and it gave rise to the conception that an alert citizenry and the institutions themselves should have the means of withstanding the actions of individuals. It was, I believe, Madison who said that if men were saints, governments and laws would not be necessary.

What has been the cause of this profound deterioration of the democratic immune system of the United States? We have to look at the nature of our society, and here we see that the most significant feature is the extraordinary level of social polarization, the extraordinary degree of wealth concentration in a very small section of American society.

A study was recently done by two economists from UCLA, Piketty and Saez, entitled “Income Inequality in the United States, 1913-1998.” It is based on federal income taxes, and it shows that in 1929, economic inequality, wealth inequality, and income inequality were at their highest levels.

Then came the Great Depression, and there was a sharp decline because of the enormous losses experienced by sections of the elite itself when Wall Street crashed. Later, particularly after World War II when the GIs came home and there was an enormous wave of labor struggles and social struggles, inequality declined and the level of social equality increased.

That persisted into the 1970s, and then the process reversed itself. Social inequality accelerated during the Reagan administration. It accelerated with extraordinary rapidity during the Clinton administration, and now it is back at its highest levels since 1929.

If one looks at income distribution in America, one sees certain extraordinary features. First of all there, is a very, very sharp differential between the top 10 percent and the bottom 90 percent. People often use the phrase, “The rich get richer and the poor get poorer.” When we talk about the poor getting poorer, we are talking about the lower 90 percent of the American people. That embraces a very substantial population—270 million out of 300 million, i.e., the vast majority of the American people.

Then, if one examines the top 10 percent, one is struck by the very sharp differential there as well. The social position of those in the top 5 percent is dramatically different than those in the bottom 95 percent. And there is an extraordinary degree of differentiation between the top one percent and the bottom 99 percent. The top one percent receives approximately 19 percent of the entire income paid out every year in the US. The top 0.1 percent, one in a thousand, receives approximately 9 percent. We are dealing with astonishing levels of social inequality.

Similar figures present themselves if one measures not just income, but control of wealth, in the form of share ownership. We live in a society that has become incredibly stratified.

If history teaches us anything, going back to the days of the Roman Republic, it is that the higher the level of wealth concentration, the more eroded and unsustainable the previous democratic forms of rule. If democracy means anything, it embodies the rule of the people. But the people in their broad masses represent a great threat, a danger, to those who control the vast aggregates of wealth.

How would the democratic interests of the masses express themselves? In social policy, in a progressive income tax, in taxes on wealth, in health care programs, educational programs, programs of public works. From the standpoint of the ruling elite, all of these demands of the “grubby masses” subtract from the revenue flowing into their pockets.

What is the secret of political life in America? What is the aim of both parties of corporate America? To remove all constraints—political, economic, legal, moral—on the accumulation of personal wealth. Every social demand is seen as a threat. That is domestic policy.

What is its international expression? Militarism and war.

The ruling elite has global interests. It is striving to establish the supremacy of the United States over all other countries—to control oil, to control raw materials. The United States has a military budget that is a multiple of the combined military budgets of all other country in the world. That only tells you that the American ruling elite, arming itself like Chicago gangsters, is waging its international turf wars to make sure it has its hands on the levers of power—whether in Asia, Africa or South

America.

And the American people have to pay for it—in Iraq, billions every month. Immense sums of money are squandered. That is why, when the Iraqi military budget came up last time for a vote in the Senate, it was passed 100-0, without any questions asked. That was less than a month ago.

After the election

What can we expect in the aftermath of this election? As you know, hope springs eternal. The capacity for self-delusion is enormous. People who are ill like to console themselves that their health will recover. Someone who experiences a business failure is full of blame for his enemies and remains convinced that his business prospects will improve.

But one has to approach questions of politics with deadly seriousness. Let us take the variant that the Democratic Party wins overwhelmingly: Tuesday night the Democrats are swept back into power in the Senate and the House with big majorities.

What will take place? One should look at how the Democratic Party has prepared itself to take the reigns of power. The *Wall Street Journal* published an article about this scenario, and painted a picture of various people it thought were representative, whom it called the New Democrats.

These are people who were recruited by the leaders of the Democratic Party—Representative Rahm Emanuel and Senator Charles Schumer. The *Journal* calls one faction the “military wing.” It refers to Joe Sestak, a retired US Navy vice admiral. Another guy, Chris Carney, has a background in military intelligence, having been a lieutenant commander in the US Navy reserve. Then there is James Webb, a retired Marine who was secretary of the Navy under Ronald Reagan.

Another faction is described as the “social conservatives and rural-value candidates.” The *Journal* writes, “Republicans attack Jon Tester, Democrats’ Senate candidate in Montana, as a liberal because he has called for repeal of the Patriot Act. But his rationale sounds more far right than far left. He says the anti-terror measure would allow the FBI to ‘keep tabs on our guns.’ He opposes amnesty for illegal immigrants, and says the government needs to do more to protect the border.”

The third group is the pro-business candidates, one of whom is described as follows: “Ms. Giffords is one of more than two dozen Democrats endorsed by the New Democrat Coalition, a group of 40 lawmakers who have tried to steer the party toward more pro-business policies, and toward limiting taxes and spending. Another New Democrat pick is Tim Mahoney, who runs a \$1 billion South Florida investment banking and private equity firm, recruited by Mr. Emanuel for a long-shot bid to oust Republican Rep. Mark Foley.”

These are the types of people being prepared. If they come to power they will be staunch right-wing defenders of capitalist interests.

On the eve of the election, a group of prominent liberal Democrats got together and wrote a document entitled, “American Liberalism and the Euston Manifesto.” It was written by Jeffrey Herf and six other American academics, and is now being presented as the declaration of a new American liberalism that will restore the Democratic Party to its past glory.

The document begins by declaring support for the “Euston Manifesto,” written in March 2006 by a number of British “egalitarian liberals.” Herf and company write that their statement is “a call for a liberalism adequate to the challenge posed by radical Islam and the terrorism it has inspired.” They continue, “With most Democrats running hard against the war in Iraq, and many calling for fixed timetables for withdrawal, it is important to face the question of how victory or defeat, or something in between,

would affect the prospects of containing and defeating radical Islam. First, the political future of the Persian Gulf and the Middle East remains a matter of vital national interest to the United States and our allies in Europe . . .”

They then proceed to evoke the legacy of the Cold War and the fight against communism. This is what they present as the basis of a new liberal politics.

What does this signify? In the aftermath of this election, the millions of people who oppose the war, who oppose the social policy of the Bush administration will come face to face with the reality that the nominal opposition party represents everything they are against. This is essentially because of the simple fact that the Democratic Party rests on a social constituency no less wealthy and no less reactionary than that of the Republican Party. This means that if there is to be a political change in the United States, it must take a profoundly new direction.

In the aftermath of the 2000 election, when the Supreme Court suppressed the counting of the ballots in Florida and awarded the election to Bush, I noted in a lecture that this outcome revealed that there existed no substantial and committed constituency for bourgeois democracy within the ruling elite and its political representatives. This profound erosion of its commitment to the defense of traditional democratic institutions and procedures reflected significant changes social relations within the United States.

American society is deeply fractured. The level of social polarization has assumed explosive dimensions. Those in the top five or top one percent of society in terms of income and wealth have no deep commitment to democratic rights. Of course, there are exceptions to be found within this social category. But the objective relation of the wealthiest strata of society to democracy is of an entirely different character than that of the broad masses. For the ruling elite, democracy is something of a convenience, not a necessity. As has been demonstrated all too often in the 20th century, dictatorship serves to protect wealth, not to threaten it.

Is there any constituency in the United States for whom the issue of democracy is of overwhelming objective significance? If there is not, then the cause is lost. But we believe that for the great mass of people, democracy—the defense of their democratic rights—is of the most profound importance.

For that constituency—the working class, the broad mass of the people—their livelihoods and living standards depend upon a job and a weekly or monthly paycheck. They have no other resources. They require education. They believe in equality. They require health care. They participate in and confront all the problems of what we call mass society.

They have a profound stake in the defense of democratic rights. And the reality today is that democratic rights cannot be secured without recognizing their profound connection with the economic organization of society. Democracy cannot be preserved under conditions of profound levels of social inequality. Democracy finds its antipode in inequality. Democracy depends upon equality.

The issues that we confront, though in particularly extreme form, find expression in every country, where the same processes are underway.

The Socialist Equality Party fights to build a mass political movement of the working class, explaining that its interests are bound up with the interests of workers all around the world, that the problem of our society is part of a global problem.

The task that we confront is the struggle to build a new political party based on a revolutionary, socialist and international program. That is the perspective we have put forward in this election campaign.

Based on the meetings I have addressed, there is a vast demand for a political alternative and, frankly, a very small supply. There is no political alternative being supplied by the existing political structure. It is coming from those who stand outside, and who are fighting to create a new

political framework.

From that standpoint our election campaign has been a great success. I am very proud of the work that John Burton and our other candidates and campaign supporters have carried out here and throughout the country to bring the message of the Socialist Equality Party to the broadest sections of the working class.



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